



Foreign Agricultural Service

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## **Thailand**

### **Market Development Reports**

### **Hypermarket Update**

**2002**

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#### **Report Highlights:**

The purpose of this report is to update the readers in the current hypermarket situation in Thailand.

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Includes PSD changes: No  
Includes Trade Matrix: No  
Unscheduled Report  
Bangkok [TH1], TH

## **Hypermarket Update in Thailand**

Hypermarkets lead the fastest growing segment in retail food sales in Thailand. The leading international chains have come to Thailand and are modernizing the marketplace. Tesco Lotus, BigC Supercenter, and Carrefour have the brunt of the Thai hypermarket sector and are maneuvering for position within the market. Thai consumers are enjoying more choices than ever before and are beginning to enjoy the social experiences available at the supercenter complexes that feature a shopping hall, entertainment and food courts, and movie complexes alongside the hypermarket.

The traditional markets and outlets are under pressure and have sought redress through the political process. The momentum is with the modernizing forces, though, and with the economy on the mend the modernization trend will continue to strengthen. In order to help small to medium retail shops compete with the foreign-owned big growing hypermarkets, the Thai government, recently has tried to launch regulations restricting the expansion of these hypermarkets, e.g. very restrictive zoning laws, but the Prime Minister saw that the passage of such regulations will limit foreign investment and he has led the efforts to dampen these regulations.

According to an interviewed trade source in one of the larger hypermarkets in Bangkok, this outlet has more than 50,000 SKUs for sale. The turnover of fresh products for its store is approximately six billion baht a year (US\$13 million), with fresh products estimated to be about 10 percent of the total products sold. Thai people shop for fresh items 3-4 times a week mostly at traditional wet markets nearby their residences or their places of work. As for most hypermarkets in Thailand, they rely heavily on local vendors, traders, and producers for their stock, roughly 70% according to the trade source, with 30% of the stock purchased direct. The imported fruits sold in this hypermarket currently include apples, grapes, oranges, cherries, avocado, plums, pear, and kiwi. Private label products sales are around 3% of total sales and are sourced initially within Thailand for the chain's outlets in Thailand. If a specific product has potential to be used as private label product, then that item is referred onward to the chain's headquarters for further consideration.

End of report.